N O T E

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PMT 250
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Tools Course

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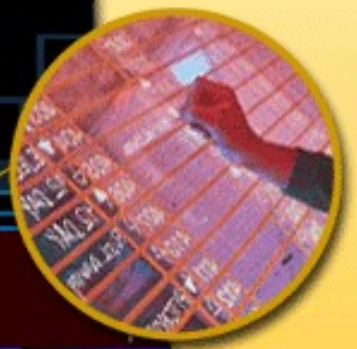

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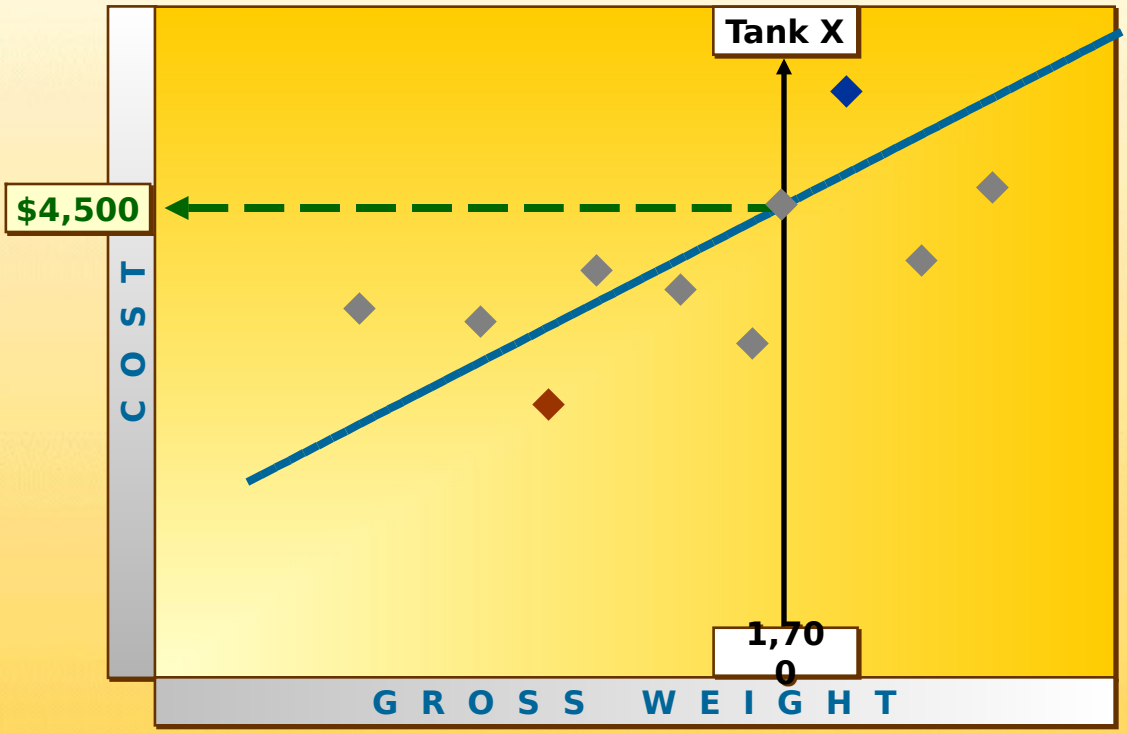
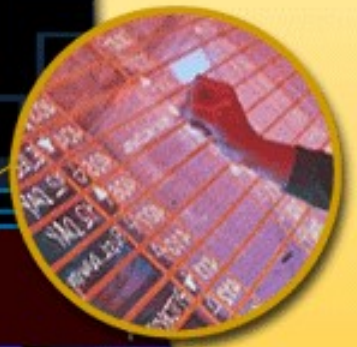
Parametric





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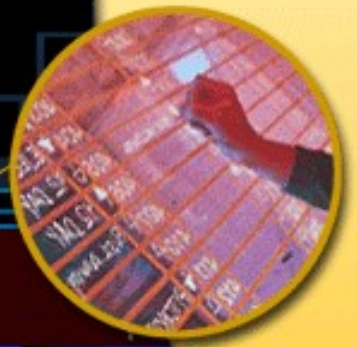
Parametric (cont.)

Cost Estimating Relationship: develop/determine if there is
a relationship between a weapon system parameter (weight/speed) and cost

Correlation: a calculation that quantifies the relationship (r^2) between two
the variables – values above .9 are acceptable. A value of 1.0 is perfect correlation.

Standard Deviation: a calculation that determines
the distances between the points and a line

Regression: a calculation that predicts future occurrences based on
the data's correlation, standard deviation, standard error of the estimate
and the value of the independent variable.



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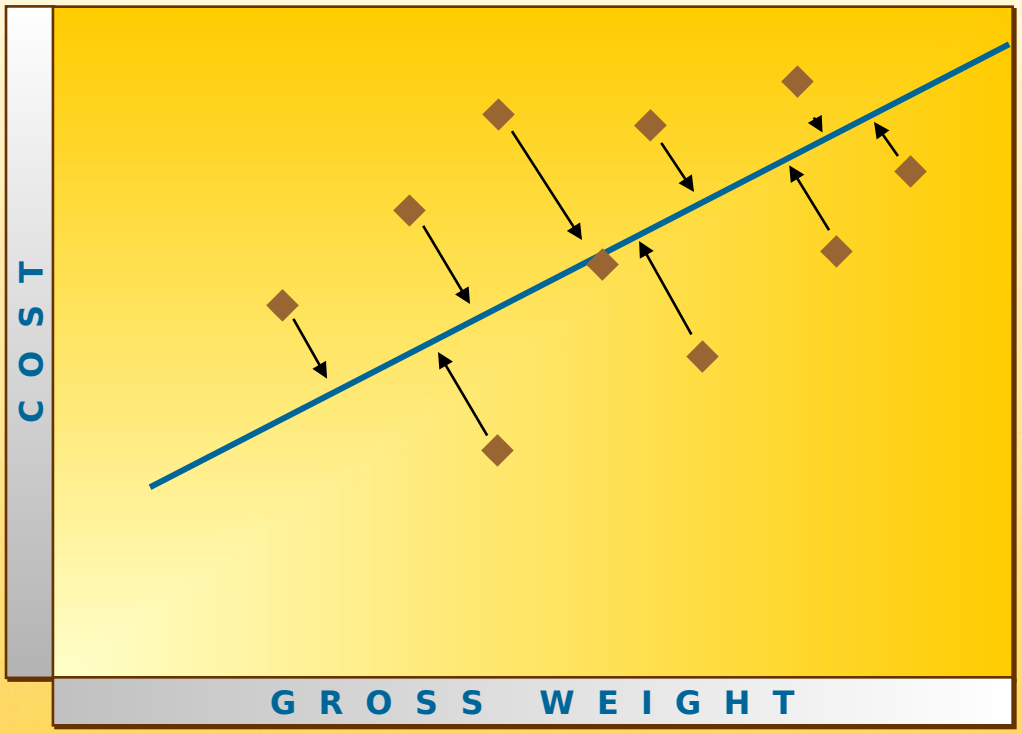
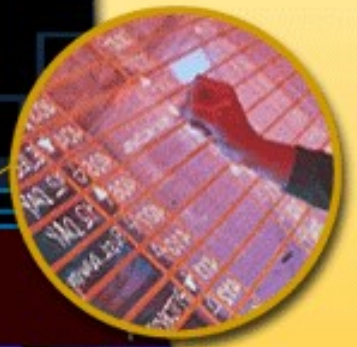
Parametric (cont.)



Regression Formula: **Y = aX + b**

Where:
Y = Dependent Variable **X** = Independent Variable
a = Slope of the line **b** = Y intercept



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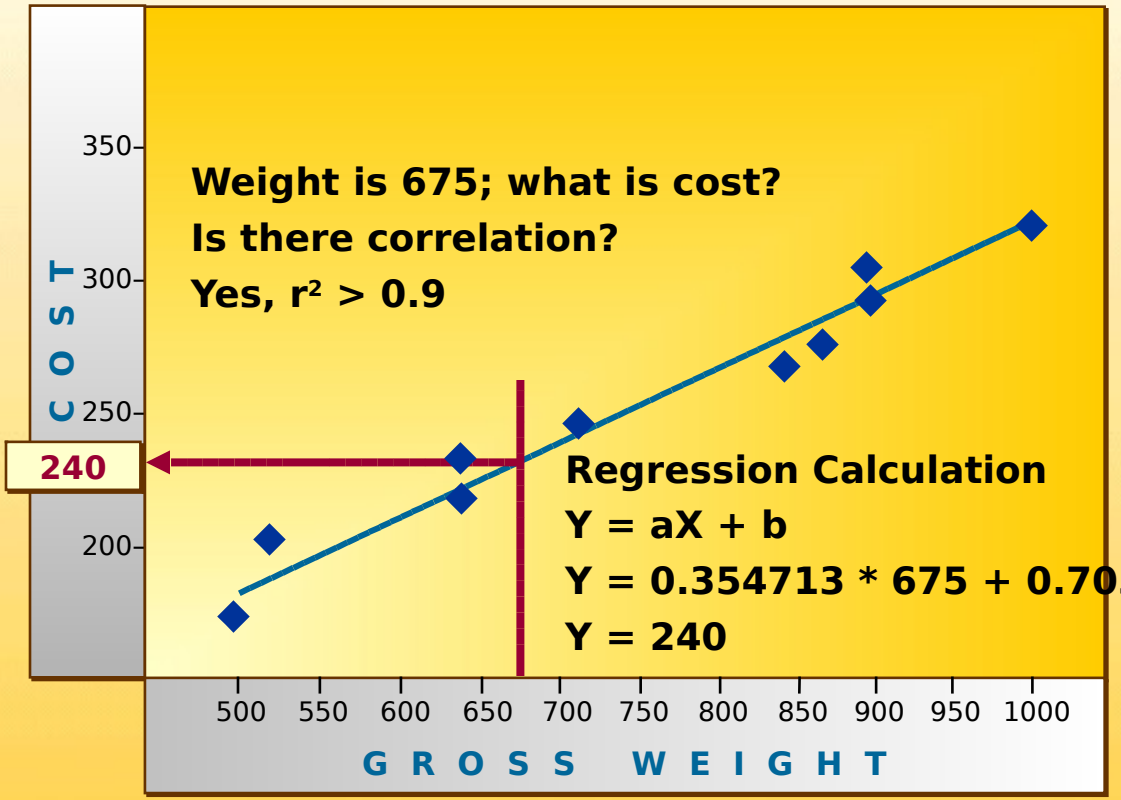
Parametric (cont.)



r^2 = 0.964477 **slope** = 0.354713 **Y intercept** = 0.703184

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SAMPLE

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